

**THE UNIVERSITY OF CHICAGO
BOOTH SCHOOL OF BUSINESS**

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PERSONAL INFORMATION

Date of Birth: 14 February 1981
Citizenship: German

EDUCATION

2005–present **The University of Chicago Booth School of Business**, United States
Ph.D. in Finance, Expected Completion Date: 06/2010
Thesis Title: “Cycles of Innovation and Financial Propagation”
2005–present **The University of Chicago Booth School of Business**, United States
M.B.A., Expected Completion Date: 06/2010
2002–2005 **University of Mannheim**, Germany
Diplom in Business Economics (Finance, Statistics, Operations Research)
2003–2004 **London School of Economics and Political Science**, United Kingdom
M.Sc. in Accounting and Finance (Specialization Option Finance)
2000–2002 **Catholic University of Eichstaett-Ingolstadt**, Germany
Vordiplom in Business Economics

HONORS AND AWARDS

2009 Sanford J. Grossman Fellowship in Honor of Arnold Zellner, 2009-10
2008 German National Academic Foundation Doctoral Fellowship, 2008-10
2008 Arnold Zellner Doctoral Prize, sponsored by the BEST Foundation
2007 DAAD Doctoral Fellowship, 2007-8
2006 CRSP Summer Paper Award
2005 ERP Fellowship, German National Academic Foundation, 2005-7
“The principal aim of these ERP-Scholarships is to provide intellectually outstanding young German scholars with a chance to pursue their academic training at universities in the United States. The Studienstiftung believes that his personality, his intellectual abilities, and his past academic achievements rank him amongst the one per cent top group of the entire German student population.”
2004 Top 0.5% Student in Business Economics, University of Mannheim
2003 Julius-Paul-Stiegler Fellow (M.Sc. at LSE), 2003-4
2003 German National Academic Foundation Fellowship, 2003-5
2002 Valedictorian Graduate, Department of Business Administration and Economics of the Catholic University of Eichstaett-Ingolstadt (1/214)
2000 Konrad Adenauer Foundation Fellowship, 2000-2005

RESEARCH PAPERS

“Cycles of Innovation and Financial Propagation” (Job Market Paper), November 2009

Abstract

Episodes of boom-bust cycles tend to occur in sectors with recent arrivals of new technologies and are often related to excessive funding by the financial sector. In this paper, I develop a dynamic general equilibrium model consistent with a role for the financial sector in propagation during such episodes. I extend a standard Schumpeterian growth model by incorporating (a) a monopolistically competitive financial sector and (b) time-varying technological conditions in real sectors. I identify two propagation channels. The first operates through financial firms' acquisition of sector-specific knowledge (*skill channel*); financial firms chase “hot sectors” and thereby accelerate fluctuations. The second channel originates in an interaction between competition in the financial sector and patent races in product markets (*competition channel*). Financial firms' temporary competitive advantages in access to new ventures imply market segmentation and “short-termism” in the financial market: financial firms maximize the surplus generated by the client firms they can currently attract, taking competing financiers' future funding decisions as given. Relative to the Pareto optimum, the competition channel thereby generates overinvestment in sectors with temporarily improved technological conditions; excessively high growth in these sectors comes at the cost of lower growth in the economy as a whole. The model links financial propagation to time variation in the cross section of asset prices. Exposures to aggregate risk dampen financial propagation.

“Rating Agencies in the Face of Regulation: Rating Inflation and Regulatory Arbitrage,” with M. Opp, November 2009

Abstract

This paper develops a rational expectations framework to analyze how rating agencies' incentives are altered when ratings are used for regulatory purposes such as bank capital requirements. Regulations of this kind imply that the AAA label of a security is valuable to a regulated investor independent of the information it provides about the riskiness of the security's underlying cash flows. Our model predicts that a profit-maximizing rating agency responds to this regulatory environment by partially inflating the AAA-rating class and by distorting information acquisition relative to a (counter-factual) situation without regulation. The equilibrium precision of a rating trades off two conflicting purposes: (a) the reduction of information asymmetries between issuers and investors, and (b) the support of “regulatory arbitrage.” In our framework, the issuer-pays model does not harm investors as they rationally anticipate rating inflation and thus the declining quality of AAA-rated securities. Investors are willing to hold such assets at lower premia due to the regulatory benefits they provide. Past changes in regulatory environments can be used to test our model's predictions regarding rating inflation. Moreover, our model has normative implications for the design of optimal regulatory policies.

“Intertemporal Information Acquisition and Asset Market Dynamics,” September 2008

Abstract

I analyze the links between intertemporal information acquisition and the dynamics of asset markets. In my model, investors are Bayesian learners who optimally choose how much to consume, how much to invest, and how much information to acquire. The model predicts that investors acquire more information when future capital productivity is expected to be high, the cost of capital is low, new technologies are expected to have a persistent impact on productivity, and the scalability of investments is expected to be high. My results shed light on the economic mechanisms behind various dynamic aspects of information production by the financial sector, such as the sources of variation in returns on information acquisition for investment banks or private equity funds.